



University of Colorado Health
QUARTERLY BOND COMPLIANCE PACKET

For Quarter Ended:
December 31, 2018

Unaudited Results
University of Colorado Health
Comparative Summary Statements of Income & Changes in Fund Balances
For Quarter Ended: December 31, 2018
(in Thousands)

	Quarter 2 Fiscal Year 2019		Quarter 2 Fiscal Year 2018		Year-to-Date Fiscal Year 2019		Year-to-Date Fiscal Year 2018	
	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated	Obligated Group Total ²	System Consolidated
Operating Revenue								
Net Patient Revenue ¹	\$ 1,168,754	\$ 1,188,928	\$ 1,039,692	\$ 1,048,631	\$ 2,311,025	\$ 2,346,657	\$ 2,002,601	\$ 2,012,556
Grant Revenue	804	1,252	351	771	1,573	2,384	753	1,644
Other Operating Revenue	10,194	12,672	18,001	20,404	22,345	27,234	34,384	38,789
Total Net Operating Revenue	\$ 1,179,753	\$ 1,202,853	\$ 1,058,044	\$ 1,069,806	\$ 2,334,944	\$ 2,376,274	\$ 2,037,739	\$ 2,052,990
Operating Expenses:								
Wages, Contract labor, & benefits	\$ 487,996	\$ 499,266	\$ 439,507	\$ 444,864	\$ 968,948	\$ 991,289	\$ 856,118	\$ 863,036
Supplies	266,420	271,086	228,503	229,920	513,134	521,663	436,257	437,975
Purchased Services & Other Expenses	228,567	241,016	202,555	217,501	455,372	482,505	394,641	411,369
Depreciation and Amortization	49,542	51,277	49,164	49,812	98,820	102,095	95,061	95,951
Total Operating Expense	\$ 1,032,525	\$ 1,062,645	\$ 919,729	\$ 942,097	\$ 2,036,274	\$ 2,097,552	\$ 1,782,077	\$ 1,808,331
Operating Income (Loss)	\$ 147,227	\$ 140,207	\$ 138,315	\$ 127,709	\$ 298,670	\$ 278,722	\$ 255,662	\$ 244,659
Nonoperating revenue & expenses								
Interest Expense	\$ (9,968)	\$ (9,997)	\$ (13,117)	\$ (13,143)	\$ (22,471)	\$ (22,531)	\$ (26,417)	\$ (26,473)
Investment Income	(280,431)	(284,061)	123,959	125,269	(169,163)	(171,459)	230,851	233,463
Other Non-Operating Revenue	(11,212)	(10,727)	(10,989)	(10,568)	(20,836)	(20,107)	(1,231)	(19,521)
Gain (Loss) Disposal Cap	(8)	(9)	(40)	(40)	(62)	(62)	(14)	(13)
Total Nonoperating Income	\$ (301,619)	\$ (304,793)	\$ 99,814	\$ 101,518	\$ (212,532)	\$ (214,159)	\$ 203,189	\$ 187,455
Income Before Contributions	\$ (154,392)	\$ (164,586)	\$ 238,130	\$ 229,227	\$ 86,138	\$ 64,563	\$ 458,851	\$ 432,114
Non-Recurring	-	-	-	-	-	-	-	-
Restricted contributions	807	883	148	1,175	1,016	2,431	(19,035)	2,109
Distribution of Net Assets	(5,633)	(5,633)	(4,060)	(4,060)	(5,633)	(5,633)	(4,060)	(4,060)
Increase (Decrease) in Net Assets	\$ (159,218)	\$ (169,336)	\$ 234,217	\$ 226,342	\$ 81,521	\$ 61,362	\$ 435,756	\$ 430,163

¹ In accordance with GASB 34, bad debt expense is classified as a reduction of net patient service revenue.

² Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC

Unaudited Results
University of Colorado Health
Comparative Balance Sheet
December 31, 2018

	December 31, 2018		December 31, 2017	
	Obligated Group 1	System Consolidated	Obligated Group 1	System Consolidated
Current Assets				
Cash and Cash Equivalents	195,720,853	215,166,033	257,593,893	281,070,551
Accounts Receivable from Patients	1,947,751,229	2,051,707,605	1,711,010,002	2,017,256,923
Allow for Uncollectibles & Contractual Adj	(1,418,531,902)	(1,505,121,854)	(1,235,629,473)	(1,528,066,695)
Related Party Receivables	71,680,832	12,150,398	(14,261,219)	12,286,082
Other Accounts Receivable	27,114,178	27,353,772	10,309,121	10,735,022
Intercompany ST Bonds Receivable	-	-	-	-
Inventory of Supplies at Cost	85,863,243	88,695,560	73,602,957	77,822,343
Prepaid Expense	67,704,851	68,517,491	61,479,285	62,181,474
Investments Designated for Liquidity Support	141,555,000	141,555,000	102,315,000	102,315,000
Total Current Assets	1,118,858,286	1,100,024,005	966,419,567	1,035,600,699
Designated Assets				
Restricted Investment Bonds	1,267,596	1,267,596	101,309,381	101,309,381
Restricted Investment Other	520,169	520,169	1,325,244	1,325,244
Investment and Receivables Restricted by Donor	(213,640)	45,968,381	(2,560,275)	47,562,845
Total Designated Assets	1,574,125	47,756,146	100,074,351	150,197,470
Long - Term Assets				
Non-Current Receivables	-	-	-	-
Building & Leasehold Improvements	2,449,360,744	2,477,320,186	2,422,520,562	2,434,587,951
Equipment	1,216,723,625	1,250,637,677	1,124,581,032	1,154,927,279
Accumulated Depreciation	(1,776,106,246)	(1,783,727,826)	(1,608,718,377)	(1,619,280,988)
Construction & Projects in Progress	717,003,331	719,784,521	244,652,927	245,433,574
Long-Term Investments	3,351,543,749	3,375,002,025	3,371,392,242	3,380,041,574
Investments in Affiliates	51,342,104	61,845,933	56,648,377	66,907,380
Intercompany LT Bonds Receivable	0	0	1	1
Intercompany Deferred Financing Costs	-	-	-	-
Deferred Financing Costs	-	-	8,662,631	8,662,631
Other Long Term Assets	25,111,198	25,367,994	46,880,266	25,147,208
Deferred Outflows	61,466,460	73,074,284	44,715,736	47,086,877
Total Long - Term Assets	6,096,444,967	6,199,304,795	5,711,335,397	5,743,513,488
Total Unrestricted Assets	7,216,877,378	7,347,084,945	6,777,829,315	6,929,311,658
Current Liabilities				
Compensated Absences Payable	81,405,842	82,904,818	72,922,513	73,180,435
Salary & Wages Payable	158,498,746	160,743,871	131,764,025	132,718,147
Sales Tax Payable	96,288	99,198	86,694	88,779
Accounts Payable (Excluding Plant & Equipment)	238,199,427	248,355,785	165,917,265	182,360,941
Accounts Payable for Construction, Property, & Equipment	82,463,067	82,477,480	63,705,405	63,705,405
Accounts Payable Other	65,598,733	66,644,870	86,897,515	91,741,474
Intercompany Payable	-	-	-	-
Estimated Net Amounts Due to Third Party Payors	216,102,192	216,165,344	211,748,403	212,234,125
Accrued Interest Payable	7,035,965	7,035,965	10,180,773	10,180,773
FV Swap Agreement	3,367,781	3,367,781	3,367,781	3,367,781
Current Portion of Long-Term Debt	31,163,621	31,167,178	30,090,022	30,409,865
Long-Term Debt Subject to Short-Term Remarketing	141,555,000	141,555,000	102,315,000	102,315,000
Total Current Liabilities	1,025,486,663	1,040,517,289	878,995,396	902,302,724
Long-term Liabilities				
Long-Term Debt	1,592,273,620	1,592,279,265	1,686,568,916	1,686,595,771
Derivative Inst Liability	18,420,581	18,420,581	25,822,314	25,822,314
Other Long-Term Liabilities	164,804,958	164,952,684	128,365,851	128,750,595
Deferred Inflows	13,982,357	13,993,614	4,654,415	4,654,415
Total Long-Term Liabilities	1,789,481,516	1,789,646,144	1,845,411,496	1,845,823,095
Total Fund Balance	4,401,909,199	4,516,921,512	4,053,422,423	4,181,185,840
Total Liabilities and Fund Balance (Unrestricted Funds)	7,216,877,378	7,347,084,945	6,777,829,315	6,929,311,658

¹ Obligated group members include: University of Colorado Health, University of Colorado Hospital Authority, Poudre Valley Health Care, Inc., Medical Center of the Rockies, Longs Peak Hospital, Yampa Valley Medical Center, and Poudre Valley Medical Group LLC

Unaudited Results
University of Colorado Health
Statement of Cash Flows
December 31, 2018
(in Thousands)

	Quarter 2 System Consolidated	Year-to-Date System Consolidated
Cash flows from operating activities		
Cash received from patients and third-party payors	\$ 1,180,631	\$ 2,326,446
Cash payments to suppliers for goods and services	(509,940)	(968,903)
Cash payments to employees/other on behalf of employees	(483,305)	(965,036)
Other cash payments	(10,727)	(27,177)
Other cash received	1,156	13,786
Net cash provided by operating activities	177,815	379,116
Cash flows from capital and related financing activities		
Proceeds from long-term debt	-	-
Principal payments under capital lease obligations	(1,464)	(2,903)
Principal repayments of long-term debt	(24,096)	(24,146)
Payments of interest and issuance costs on long-term debt	(23,478)	(33,610)
Capital expenditures	(170,482)	(335,894)
Receipt of contributions	906	2,584
Cash acquired from component unit	-	-
(Distributions to) contributions from minority interest in component unit	(5,633)	(4,633)
Proceeds from sale of capital assets	3	76
Net cash used in capital and related financing activities	(224,244)	(398,526)
Cash flows from Investing activities		
Investment income	21,028	31,984
Distributions received from joint ventures	4,020	5,508
Proceeds from sale and maturities of investments	702,149	1,633,151
Purchases of investments	(766,079)	(1,766,420)
Net cash used in investing activities	(38,882)	(95,777)
Net increase in cash and cash equivalents	(85,311)	(115,187)
Cash and cash equivalents at beginning of period	300,477	330,353
Cash and cash equivalents at end of period	\$ 215,166	\$ 215,166
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 140,207	\$ 278,723
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	51,277	102,095
Provision for bad debts	50,852	117,581
Decrease (increase) in patient accounts receivable	(59,099)	(142,008)
Increase (decrease) in estimated third-party settlements	(51)	4,216
Decrease (increase) in other receivables and receivables from related parties	(5,220)	(3,582)
Decrease (increase) in inventories	(22)	(470)
Change in net pension assets/liabilities	1,594	3,189
Decrease (increase) in prepaid expenses	604	(882)
Decrease (increase) in other assets	(1,967)	(1,401)
Increase (decrease) in accounts payable and accrued expenses	13,521	50,849
Increase (decrease) in accrued compensated absences and other	30	(2,592)
Equity income from joint ventures	(3,184)	(6,495)
Acquired assets and liabilities from component unit	-	-
Adjustments to other cash receipts/payments	(10,727)	(20,107)
Total adjustments	37,608	100,393
Net cash provided by operating activities	\$ 177,815	\$ 379,116
Non-cash transactions:		
Donated pharmaceuticals	\$ 2,397	\$ 4,354
Construction in progress accrued	\$ 4,288	\$ 82,477
Unrealized gain	\$ (315,855)	\$ (246,865)
Refunding of debt	\$ -	\$ 197,350

Unaudited results
University of Colorado Health
Financial Covenant Calculations
December 31, 2018

Days Cash on Hand

Cash	\$	195,720,853
Investments Designated for Liquidity Support	\$	141,555,000
Long-term investments		3,351,543,749
Total cash and investments	\$	3,688,819,602
Operating expenses	\$	2,097,551,665
Bad Debt Expense		117,581,330
Interest expense		22,530,708
Total expenses		2,237,663,704
Less:		
Depreciation/amortization		102,094,582
Total		2,135,569,122
Days		182
Average Daily Operating Expense	\$	11,733,896
Days Cash on Hand		314.4

Indebtedness Ratio

Long Term and Short Term Debt	\$	1,765,001,443
Unrestricted Net Assets		4,465,949,654
Total Capitalization	\$	6,230,951,098
Ratio of LT Debt to Total		28.3%

Debt Service Coverage Ratios*

Income (loss) before Contributions & Impairment	\$	341,121,583
Add Back:		
Depreciation	\$	205,274,433
Interest Expense		49,299,461
Unrealized (Gain)/Loss on Investments		(253,264,059)
(Gain)/ Loss on Disposal of Capital Assets		(481,189)
Income available for Debt Service	\$	849,440,726
Maximum Annual Debt Service**	\$	84,795,211
MADS Coverage		10.02

***Maximum Annual Debt Service as calculated per 2017A Official Statement Debt Service Schedule*